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MEXICO, COSTA RICA GIVE 'ULTIMATUM' TO U.S. ON TUNA FISHING

PA182318 Panama City ACAN in Spanish 2248 GMT 18 Dec 79 PA

[Text] San Jose, 18 Dec (ACAN-EFE)--The governments of Costa Rica and Mexico have extended an ultimatum to the United States to arrive at an agreement regarding fishing for "yellow fin" tuna in their waters, according to today's issue of the morning paper LA REPUBLICA of San Jose. The paper says that the governments of the two Latin American nations decided to present a final proposal to Washington for a prompt resolution on tuna fishing. The paper also says that the Mexican Government informed San Jose on Monday that it will not renew a bilateral treaty which permitted tuna fishing in its waters this year. The Mexican note says that henceforth it will charge for fishing licenses and will capture U.S. boats as Costa Rica has been doing for a little more than 2 years.

Fernando Altmann Ortiz, Costa Rican economy, industry and commerce minister, told the paper that if Costa Rica and Mexico were to adopt and implement these measures, the United States would be forced to respond in future tuna negotiations.

ANDEAN PACT COMMISSION POSTPONES TARIFF DECISION

PA161648 Paris AFP in Spanish 0124 GMT 16 Dec 79 PA

[Excerpts] Lima, 15 Dec (AFP)--The Andean Pact Commission, the top body of the organization, has decided to postpone approval of the common foreign tariff until the beginning of the year, it was learned here today. A previous agreement and a mandate of the presidents of the five member countries had set 31 December as the deadline for approval of the tariff but the plenipotentiaries of Bolivia, Colombia, Ecuador, Peru and Venezuela today decided to leave discussion of the subject pending.

With the end of the 28th period of ordinary sessions, Bolivian Integration Minister Panfilo Anavi took over chairmanship of the commission. He replaces Venezuelan Sebastian Alegrett in accordance with the Andean system's annual rotation of the chairmanship by alphabetical order of the names of the member countries.

It has also been learned that the Andean countries have decided to hold a high-level meeting to decide their position in the negotiations on reorganization of the Latin American Free Trade Organization [LAFTA] to be held in March in Montevideo.

CENTRAL AMERICAN MINISTERS TO DISCUSS COFFEE RUST

PA180355 San Jose Radio Reloj in Spanish 0100 GMT 18 Dec 79 PA

[Text] Central American agriculture and livestock ministers will meet to discuss a report and determine measures to be taken, according to Agriculture Minister Dr Hernan Fonseca Zamora. Experts from Central America, Panama and Mexico have determined that there has been an (?increase) in coffee rust disease in the Carazo area in Nicaragua, as was noted by FAO. Like FAO, the experts recommended the destruction of 14,000 manzanas of coffee in the Carazo area and the replacement of that crop by others--a task which, the agriculture minister said, would cost $40 million. He said the experts proposed that no coffee be planted in this area until the fungus is controlled or eliminated. The minister said the experts also recommended periodic fumigation and inspection of the area adjoining the zone affected by the coffee rust disease.

GUEILER SAYS CHILEAN PEOPLE RECOGNIZE BOLIVIAN RIGHT TO SEA

PY181449 La Paz INFOBOL Diplomatic Information Service in Spanish 2338 GMT 17 Dec 79 PY

[Text] President Lidia Gueiler said that the Chilean people recognize the Bolivian right to have access to the sea. She said she has a special feeling toward Chile, since "they are people I admire, and I believe that what separate us are the governments, not the people."

The chief of state, who lived in exile in Chile, said that she hopes to meet with the leaders of that country, "putting aside sectarianism and self-interest and looking at the problem from a perspective aimed at fulfilling the Bolivian dream of recovering its Pacific coast." She said she is convinced that "even in the most dreadful wars, it is necessary to negotiate with the enemy, and I do not believe that Bolivia and Chile are deadly enemies. We do have a problem, however, and Bolivia cannot fail to invoke its right to have access to the sea." She explained that Bolivian foreign policy is proposing a way to reach an agreement which would satisfy Bolivia's desire for the justice of having a sovereign outlet to the sea."

PRESIDENT GUEILER TO GET LIST OF COUPIST OFFICERS

PY181214 La Paz Radio Fides in Spanish 0200 GMT 18 Dec 79 PY

[Excerpt] Gen Armando Reyes Villa, commander in chief of the armed forces, today made a formal commitment to President Lidia Gueiler, stating that he will submit to her a list of coupist officers by the end of this year. Following a working lunch with the president at Government Palace at 1300 today, General Reyes reported that they had discussed military issues. He said that he had instructed all commanders to prepare a detailed report on the November events, including a list of officers who were directly involved in the military coup led by Col Alberto Natusch Busch. He noted that those officers involved in the November events will be judged on the basis of these reports. He indicated that some of them may be brought to military trial.

NATIONAL EMERGENCY PLAN TO COST ESTIMATED $700 MILLION

PY181552 La Paz Radio Panamericana Network in Spanish 1130 GMT 18 Dec 79 PY

[Text] The Planning and Coordination Ministry will execute a national emergency plan, according to a statement made by Planning Under Secretary (Percy Jimenez) during a press conference held in his office. The national emergency plan involves an investment program aimed at changing the course of the economy, thus creating more employment. It also counts on obtaining loans now totaling DM49 million, about $21 million.

[Begin (Jimenez) recording in progress] ...With which we are negotiating the financing of about DM49 million. Out of this sum, DM30 million will be used for investments in high-priority programs and DM19 million for technical assistance. Among the high-priority projects which may be financed by the German mission would be the Corocoro hydrometallurgic plant, belonging to the Bolivian Mining Corporation [COMIBOL], and the financing of the renewal of machinery equipment. [end recording]

Planning Under Secretary (Percy Ramirez) [name as heard] then enumerated all the projects which are planned in the fields of mining and metallurgy and gave the following explanation to the newsmen:

[Begin recording] [These projects are] the Corocoro hydrometallurgic plant, at an estimated cost of $9.5 million; renewal of machinery and equipment, also for COMIBOL, estimated at $98 million; and the program to explore and determine the quantity of reserves, also for COMIBOL, at an estimated cost of $4.5 million. We generally consider that the mining sector should be one of the sectors of highest priority, because of its economic importance, sharing this position with the agrarian sector. [end recording]

In addition to the projects mentioned above, there are others in the mining sector with an estimated investment of $12 million and still others related to public health, soil reclamation, agriculture and other areas. According to the planning under secretary's explanations, total investments are estimated at 10 percent of the gross domestic product, that is, $700 million, financed by the World Bank and other organizations. He gave the following data:

[Begin recording] The total amount of investments is estimated at about 10 percent of the gross domestic product, that is, something like $700 million. Part of this sum would be financed by the World Bank, for which we expect to have a clearer idea both of priorities and of projects to be financed toward the end of this month. In addition, the possibilities of financing for these projects will also be negotiated with other organizations, such as the Inter-American Development Bank, some friendly governments, the Cartagena Agreement group and others about which you already know. [end recording]

According to the report, the aid from the German Government will involve technical matters in all fields.

HUMAN RIGHTS CONGRESS ENDS; NEW BOARD ELECTED

PY180158 La Paz Radio Panamericana Network in Spanish 0000 GMT 18 Dec 79 PY

[Text] The third national rights congress, which was attended by 49 delegates of the country's departmental and district assemblies, has approved important resolutions. After analyzing the country's socioeconomic and political situation, the congress issued a document. The document emphasizes the significance the congress attaches to the convocation of both general and municipal elections. It also assigns priority to having the judicial branch reorganized by the National Congress, but putting partisan interests aside. It terms judicial reorganization of vital significance in solving delays in trials and in bringing to court perpetrators of political and civil crimes whose cases still remain unresolved.

The congress finally elected the new Executive Board of the Human Rights Assembly. Father Julio Tumiri was reelected president by acclamation. The other members of the board are: (German Crespo), (Ivan Zegada), (Delia Cortes), (Amparo Carbajal), (Ivan Paz), (Gregorio Iriarte), (Jose Ross). and (Nilda Heredia). It has also been reported that the following labor organizations were designated to represent 14 affiliated unions: The Bolivian Mineworkers Federation and the Single Federation of Peasants.

COMANCHE ROADBLOCK LIFTED AFTER AGREEMENT WITH TRUCKERS

PY151256 La Paz Radio Panamericana Network in Spanish 1130 GMT 15 Dec 79 PY

[Excerpts] The strike committee and the truckers of the town of Comanche in Pacajes Province, La Paz Department, have signed an agreement solving all the problems which led to the blocking of roads and the railway in that region.

The agreement signed by the main peasant and trucking leaders stipulates the obligatory transfer of all passengers from all the cantons of Pacajes Province, regardless of regions, timetables or vehicles. It is also stipulated that the truckers will respect all government decisions regarding passenger fares and freight rates.

JOINT TECHNICAL COMMISSION TO BE FORMED WITH USSR

PY181852 La Paz Radio Panamericana Network in Spanish 1700 GMT 18 Dec 79 PY

[Excerpt] The Soviet ambassador to Bolivia, Boris Kazantsev, has announced the forming of a joint commission by the two countries to discuss the program of scientific and technological exchange. For this purpose, Bolivian representatives have been invited to Moscow, where that joint group will be officially formed in accordance with the decision reached by Kazantsev and (Gaston Araoz Levi), the Bolivian minister secretary of government. The ambassador also said:

[Begin recording] The speeding up of the building of the La Palca low-grade tin volatilization plant in Potosi Department and the beginning of the building the volatilization plant at Machacamarca in Oruro Department have been discussed during the stay of our delegation here. The delegation has also worked with the people of the Bolivian Mining Corporation [COMIBOL] and the Mining and Metallurgy Ministry, and we have reached good agreements. Our delegation has signed a protocol on problems of a technical nature and on how to complete the installation work at La Palca, begin the testing of that plant and start it up. [end recording]

He referred to the visit by a Russian technical mission which came to Bolivia some time ago and reached several agreements with representatives of the Mining and Metallurgy Ministry and COMIBOL. He also stated that a Bolivian Government delegation was then invited to go to the Soviet Union at the beginning of next year in order to discuss some other aspects of mining policy and cooperation on the part of the Soviet Union. The ambassador referred to the forming of the joint commission which will study aspects of scientific and technological exchange.

FOREIGN MINISTER ACCEPTS INVITATION OF ANDEAN GROUP

PY172007 La Paz Radio Panamericana Network in Spanish 1700 GMT 17 Dec 79 PY

[Excerpt] Bolivian Foreign Minister Julio Garret has accepted the invitation issued by the special mission sent to Bolivia to pave the way for the signing of the agreement which creates the council of ministers of the Andean Group. Thus, the Bolivian foreign minister will travel to Lima as soon as possible, even though the date the local representative will sign the agreement has not been set.

BRIEFS

EEC CREDIT--It has been announced in Brussels that the European Economic Community has assigned an aid subsidy of $4.3 million to Bolivia for farming and irrigation projects. [La Paz Radio Panamericana Network in Spanish 1130 GMT 18 Dec 79 PY]

FRG INVESTMENT--The National Preinvestment Institute will use a $2-million FRG loan for development projects. [La Paz INFOBOL Diplomatic Information Service in Spanish 2213 GMT 13 Dec 79 PY]

TURBAY CALLS FOR 'RATIONAL' OIL PRICES

PA172134 Madrid EFE in Spanish 0218 GMT 16 Dec 79 PA

[Text] Barrancabermeja (Colombia), 15 Dec (EFE)--Colombian President Julio Cesar Turbay Ayala today outlined to the nations of the Third World the need to establish international oil policy "to fix rational prices for petroleum."

The Colombian chief of state said this policy is necessary "to save us from the tremendous impact caused by these prices, not only on the development of nations but on democratic structures themselves."

Turbay remarked that when the oil crisis broke out in 1973, "it was considered that the producer nations had a strategic weapon which they should wield on an international scale, and it was and has been useful."

He pointed out that the largest transfer of foreign exchange from the industrial world to the Third World has taken place as a result of the prices of petroleum, saying that not all the nations in this part of the continent produced the prized fuel.

He asserted that the energy crisis will only affect Colombians in the near future because "with our own resources, we are able to confront whatever difficulties arise in this field in the next decade."

The president spoke at the dedication of a new plant for refining heavy crudes and extracting multiple byproducts. This petrochemical complex cost $350 million and is located in northeastern Colombia.

Ready for Price Increase

PA172327 Mexico City International Service in Spanish 2245 GMT 17 Dec 79 PA

[Text] Colombian Mines and Energy Minister Alberto Vasquez Restrepo stated that the country is prepared to face a possible increase in the price of oil. At the beginning of the OPEC conference which opened today in Caracas Vasquez Restrepo said that Colombia is [words indistinct] on the price to be established by OPEC.

EARTHQUAKE TOLL REACHES 600 DEAD, 20,000 INJURED

PA180130 Bogota Cadena Radial Super in Spanish 1100 GMT 17 Dec 79 PA

[Text] It has been officially confirmed that 600 persons were killed and 20,000 injured during the 12 December earthquake that affected the Pacific coast of Colombia. The toll is increasing constantly as the rescue teams reach the remotest area where many children were killed, trapped in their crumbling homes or drowned by the tidal waves. Such was the case of San Juan de la Costa, a town about 6 hours from Tumaco port, which was practically wiped out by the earthquake and the waves. In this small part of Colombia, population 3,000, most of the dead are small children whose parents were unable to save them.

In Tumaco, El Charco and Guapi, there are no public services such as electricity, water-works and the people are using infected waters which could lead to an epidemic of typhoid and diphtheria, the Red Cross has reported. There are unburied corpses in the Pacific coast area and they are poisoning the atmosphere. The stench is terrible because there are also thousands of unburied animals who died in the quake. The situation in some towns has led to public disorder as hungry people have raided the few grocery stores which were left standing.

REPORTAGE ON OPEC MINISTERS MEETING IN CARACAS

Price Agreement Unlikely

PA181818 Paris AFP in Spanish 1500 GMT 18 Dec 79 PA

[Text] Caracas, 18 Dec (AFP)--The 13 OPEC ministers will meet again this afternoon, but observers believe the ministers will be unable to agree on a common petroleum price for 1980. The debate on OPEC prices is very intense, Venezuelan Energy and Mines Minister Humberto Calderon Berti said today. Yesterday, he tried to persuade Saudi Arabia to accept a slight increase above $24 a barrel. This afternoon Venezuela and Algeria will present a proposal for the creation of a bank for the developing countries. Calderon Berti said the OPEC conference might end tonight.

Calderon Stresses Price Uniformity

PA182025 Paris AFP in Spanish 1825 GMT 18 Dec 79 PA

[Text] Caracas, 18 Dec (AFP)--Venezuelan Energy and Mines Minister Humberto Calderon Berti today warned his colleagues in OPEC that it would be a serious historical error to fail to reach an agreement on prices during the conference being held here. Calderon Berti, who was unanimously elected new president of OPEC yesterday, indicated that they could commit a historic mistake which would definitely harm the organization if they let the desire for a few more million dollars influence them.

The minister said that according to his contacts, most of the ministers agree on setting a price of $24 for the standard crude--light Arabian crude. Saudi Arabia, Qatar, the United Arab Emirates and Venezuela agreed on this price on Thursday, and it was learned on Saturday that Iraq will adopt this same price. This group represents close to 50 percent of OPEC's total exports.

According to Calderon Berti, the problem is not the price level of the standard crude but the maneuvers to evade it. It is a very delicate problem, he said. It includes the quality differentials, an issue that has always been very difficult. The minister indicated that if some countries try to include market premiums as quality differentials, the situation would be extremely difficult. We could reach an understanding, he said, if we establish a price level for the standard crude--for example, at $24--plus some normal differentials that truly respond to the quality and yield of the different crudes. Apart from this, we could establish some market premiums which could be maintained or removed in accordance with market conditions.

Calderon Berti warned that Venezuela would be forced to review the situation if any of the countries faileto fulfill the agreement by which they committed themselves to $24 a barrel. He explained that the revision would never be downward. He insisted that failure to reach an agreement on this matter would be a mistake and a loss of historic perspective. I would very much regret a failure to reach an understanding, he said.

For Calderon Berti, the prices are not the most important thing. "Market conditions, he said, place us in a privileged position that is unique in modern history. We are able to negotiate with the industrialized countries on behalf of the rest of the developing countries and of course on behalf of OPEC." If we insist on stressing the price issue and if we maintain the illusion that a few million dollars more will benefit our countries, we would commit a historic mistake that would definitely harm the organization.

According to the Venezuelan minister, the essential thing would be to have OPEC give a lesson of wisdom and responsibility. Also, OPEC should try to organize the international market and prevent speculation. Calderon Berti said such an action would give OPEC greater prestige. This would permit it to negotiate with the industrialized countries from a stronger position. He indicated that if agreement on this subject is going to be reached, it must occur during Tuesday's sessions "since the conference is scheduled for 2 days and we cannot continue discussing this indefinitely." If there is no agreement, we will say our friendly goodbys and each one will go his own way, Calderon Berti said. He added that the OPEC strategy committee, which will meet here at the end of the ministerial conference, does not have the authority to reach agreements on prices.

The committee will study a global strategy for long-term prices. This will be proposed to a possible special ministerial conference during the first quarter of 1980. I hope we can at least reach an agreement on this. However, if the current atmosphere continues, perhaps we will not even reach an agreement on this matter, Calderon Berti added.

Iraq Will Maintain Production

PA182341 Paris AFP in Spanish 2309 GMT 18 Dec 79 PA

[Text] Caracas, 18 Dec (AFP)--Iraqi Oil Minister Tayih 'Abd al-Karim said today that Iraq will maintain its present production level of 3.7 million barrels of oil a day as long as the international market remains tense. He said there will be a reduction only if supply exceeds demand on the market.

Experts had believed that Iraq would reduce its production by between 20 and 30 percent in 1980, but the figure given by 'Abd al-Karim is definitely higher than official figures released so far. Iraq will thus become the world's second-largest oil producer, following Saudi Arabia and ahead of Iran, which produces 3.5 million barrels a day.

'Abd al-Karim said that Iraq wants a uniform system of prices at a level that is moderate, taking into account inflation, the deterioration of the dollar and the market situation, but if the conference does not obtain such a result, his country will set its own prices, applying an increase similar to that of the other OPEC member countries. This new price, the minister added, will not be the highest present level ($30), nor will it be the lowest ($24). Present Iraqi prices fluctuate between $20.65 and $23. 50.

Iraq wants an automatic quarterly price increase to keep prices realistic and in proportion to the growth of the GNP in members countries of (?OPEC), the Iraqi minister said. He added that it will not be possible to implement this system unless the industrialized countries stop pressuring the market in an attempt to increase their stocks.

The minister said that it is difficult to obtain a uniform price at the conference because some countries decided to increase their prices beforehand. He added that Iraq respected the Geneva Conference's decision in June to maintain a ceiling of $23.50, which is considerably below prices on the free market, where we have not sold a single barrel.

Iraq gave developing-country purchasers long term interest-free loans between June and December to compensate for the increases.

Third World Aid Announced

PA190105 Paris AFP in Spanish 2320 GMT 18 Dec 79 PA

[Text] Caracas, 18 Dec (AFP)--New OPEC President Humberto Calderon Berti, Venezuelan energy and mines minister, announced here today that OPEC's ministerial meeting has agreed to transform the special fund into aid for the Third World. That fund has invested $1.6 billion so far, but Calderon Berti did not say how much the new contributions approved in Caracas amount to.

The new OPEC president also announced that the transformation of the aid fund into an institution with its own juridical status has been approved and the organization's strategy committee, which is slated to meet here tomorrow, will study the best formula. Venezuela and Algeria had proposed that the fund be turned into a bank capable of obtaining resources from sources other than the oil-exporting countries. According to the minister, the strategy commission's recommendations will be announced at an extraordinary ministerial conference to be held in the first quarter next year.

The commission will also report on its studies of the possibility of substituting a basket of currencies for the dollar as the currency used to pay for oil. Before making a decision on this, Calderon Berti explained, it will probably be necessary to hold a joint meeting of the member countries' oil, finance and foreign ministers because the matter has both financial and political implications. This meeting might be held in March or simultaneously with the regular conference slated for July 1980, he added. The strategy committee, comprised of the oil ministers of Saudi Arabia, Algeria, Iran, Iraq, Kuwait and Venezuela, is also in charge of studying a long-range price system and the implications of the energy situation on the underdeveloped countries that lack oil. According to Calderon Berti, the committee is considering the possibility of recommending a price system connected with an aid system for less developed countries. Under this system, countries would be classified into three groups. The first one, comprising the poorest nations, would receive the equivalent of any new price increase as a donation; a second group would receive only part of this amount as a donation and the other part as a loan granted under favorable conditions; the third group would not receive donations, but loans granted under the same conditions as those of the World Bank.

Adjournment Postponed

PA190042 Paris AFP in Spanish 0029 GMT 19 Dec 79 PA

[Text] Caracas, 18 Dec (AFP)--The OPEC ministers meeting postponed its adjournment until tomorrow, Wednesday, because it could not reach an agreement on a single price system. At the end of tonight's meeting, Venezuelan Petroleum Minister and new OPEC President Humberto Calderon Berti said that the ministers agreed to restore $1.6 billion to the special OPEC fund for financial aid to the Third World and that they will meet again tomorrow to continue seeking an agreement on the price system.

Future Price Drop Possible

PA190246 Paris AFP in Spanish 0134 GMT 19 Dec 79 PA

[Text] Caracas, 18 Dec (AFP)--As a result of the huge oil stocks accumulated in the industrialized countries, there might be a decline in the oil market next year, new OPEC President Humberto Calderon Berti, Venezuelan Energy and Mines minister, indicated here tonight.

According to the minister, if the current production rate is maintained, there will not be enough storage capacity and part of the accumulated stock will have to be placed on the market, thus forcing a drop in prices. Calderon explained that the industrialized counties' oil stocks currently amount to some 480 million barrels and said that of that reserve between 1 million and 1.5 million barrels could be placed on the market every day. He also recalled that on previous occasions several OPEC countries have given discounts in an effort to maintain their sales level when they have slowed down.

According to the OPEC president, this is why at this conference Venezuela and other countries have insisted on establishing a uniform and stable price system that will not be affected by market fluctuations. Under this system, Calderon Berti explained, a fixed price would be established for reference crude oil (Arab, light 34 degrees API). alongside a price differential system in accordance with the quality (yield in products) of the various types of crude oil. In addition there would be a variable premium system that each country would implement or remove depending on market fluctuations, without affecting the normal price structure. Calderon Berti disclosed that OPEC's economic commission has recommended that the price for reference crude oil range between $24 and $25 per barrel of 159 liters. He also explained that the problem dividing the 13 member countries is the adoption of a differential system that satisfies all of them.

According to Calderon Berti, the system that was in effect until last June was rendered ineffective when the Geneva ministerial conference in July established a ceiling or top price of $23.50 per barrel. Since up to $40 was being paid in the spot market, several countries began altering the differential system in order to benefit from the high prices. Thus, market premiums were passed as differentials and premiums that oscillated between $1 and $1.50 were transformed into $4.50 or $5 in order to get around the $23.50 ceiling.

Calderon and Iraqi Oil Minister Tayih 'Abd al-Karim were in favor of returning to the differential system that was in effect until June, but they have admitted that this view has encountered serious opposition from several countries. Although most countries are in favor of fixing the price of reference crude oil at $24, the situation varies in connection with the differentials. This is truly the most difficult aspect of the conference, the Venezuelan minister concluded.

News Agency Lacks Support

PA181725 Paris AFP in Spanish 1637 GMT 18 Dec 79 PA

[Text] Caracas, 18 Dec (AFP)--At the OPEC meeting today, Venezuela protested the lack of interest shown by the General Secretariat in establishing an OPEC news agency. Humberto Calderon, Venezuelan mines and energy minister, said he was not satisfied with the way the subject of the agency's creation has been handled administratively. He said, I believe we have lost much time. The General Secretariat should have handled this decision adopted by the ministers at the Geneva meeting more efficiently. The agency should already be operating.

Kuwaiti Minister Meets Herrera

LD181120 Kuwait KUNA in Arabic 0710 GMT 18 Dec 79 LD

[Text] Kuwait--Kuwaiti Oil Minister Shaykh 'Ali al-Khalifah as-Sabah met last night with Venezuelan President Luis Herrera Campins and delivered a written message from the amir of Kuwait, Shaykh Jabir al-Ahmad as-Sabah.

Officials accompanying Shaykh 'Ali said the message is connected with coordinating the stand of the two oil-producing countries on issues being discussed by the OPEC ministerial conference, especially the subject of extending aid to the poor developing countries. The message also includes an invitation to the Venezuelan president to visit Kuwait.

FOREIGN MINISTRY CONFIRMS CUBAN ASYLUM INCIDENT

PA141435 Buenos Aires LATIN in Spanish 1347 GMT 14 Dec 79 PA

[Text] Caracas, 14 Dec (LATIN)--A communique issued by the Ministry of Foreign Relations reports that seven Cubans who used a truck to break into the grounds of the Venezuelan Embassy in Havana were machinegunned by the Cuban police and one was injured. The communique identified the Cubans as Roberto Bernal Garcia, Jesus Pedro Acosta Morales, Luis Garcia Lorenzo, Rafael Bernal Garcia, Roberto Manuel Bermudez and Miguel and Jorge Martinez Concepcion. Venezuelan Ambassador Cesar Rondon Lovera has been instructed to grant protection to the Cubans, request an explanation from the Cuban Government and present a formal protest of the assault, the Foreign Ministry said.

Receives Explanation

PA181409 Paris AFP in Spanish 2254 GMT 17 Dec 79 PA

[Text] Caracas, 17 Dec (AFP)--The Venezuelan Foreign Ministry has (?received) an explanation from the Cuban Government concerning last Thursday's incident in Havana when a group of seven Cubans tried to seek asylum at the Venezuelan Embassy. The group was machinegunned by Cuban guards. One person was killed, Venezuelan Foreign Minister Jose Alberto Zambrano has announced. The other six Cubans are under the protection of the embassy, the foreign minister added. Concerning the Havana government's first explanation of these events, Zambrano said he is awaiting statements by the persons who are in asylum at the embassy before drawing any conclusions. He added that he is now trying to learn exactly what happened in order to determine the legal situation. It is not advisable to give any explanation, the foreign minister said, when asked about the state of relations between Cuba and Venezuela as a result of the incident.

Explanation Termed 'Insufficient'

PA182139 Paris AFP in Spanish 2026 GMT 18 Dec 79 PA

[Text] Caracas, 18 Dec (AFP)--Venezuelan Foreign Minister Jose Alberto Zambrano said today that the presence of Cuban police forces around the Venezuelan Embassy is extremely dangerous, not only to persons attempting to seek asylum, but also for the safety of the diplomatic site itself. On Thursday, seven Cubans tried to seek asylum at the Venezuelan Embassy in Havana. They were machinegunned by the Cuban guards who killed one of them; the remaining six are now under embassy protection. The Cuban Government gave its first explanations yesterday in reply to the Venezuelan protest, but they were considered insufficient by the Foreign Ministry in Caracas. When interviewed today by a local radio station, Zambrano said that a protest was in order, especially when this is not the first time that this type of incident has occurred. Last Thursday's attempt was the seventh by Cuban citizens to seek asylum at the Venezuelan Embassy. Foreign Minister Zambrano said that the presence of police forces around an embassy is a form of protection if moderate, but if it is exaggerated it leads to regrettable situations such as the present one.

REPORTAGE ON OPPOSITION TO SHAH'S PRESENCE

Students Picket U.S. Embassy

PA181533 Panama City Radio Mia Network in Spanish 1504 GMT 18 Dec 79 PA

[Text] We have just visited various areas of the city, including the national lottery building and the American Embassy, and we have seen traffic jams along Central Avenue. We also saw several government vehicles completely destroyed. The windows and bodies of the cars were smashed by stones.

People have told us that groups of students are on the streets. They demonstrated outside the U.S. Embassy and are dragging a U.S. flag through the streets. Also, they are stoning all government vehicles they see, smashing windshields and using red spray paint to write the slogan Death to the Shah. The demonstrations are apparently in protest of the shah's stay in the Republic of Panama.

The lottery building, the kiosk where the lottery is actually conducted, and the main board on which numbers are placed were also damaged by stones. We also wish to alert all drivers of government vehicles to take precautions since cars--official cars--are being attacked by demonstrators who oppose the shah's presence in Panama. Near the lottery, a vehicle belonging to the National Hydraulics Resources Institute--a new vehicle at that--was totally destroyed, and the youngsters entered the vehicle and removed documents, including signed checks. Until now, there have been no reports of casualties, but there has been destruction of official vehicles and buildings. At the lottery building, they even stoned a member of the national guard.

This has been an up-to-the-minute report. We repeat that student sectors have been demonstrating and stoning official vehicles to protest the shah of Iran's stay in our country, our government's decision granting him asylum.

Communist Party Protests

PA181843 Panama City Domestic Service in Spanish 1700 GMT 18 Dec 79 PA

[Text] The Politburo of the Panamanian People's Party has issued a communique repudiating the presence of the former Iranian monarch, Mohammad Reza Pahlavi, in Panama. The communique says: We do not believe Panama should take charge of the former emperor to help him escape from the justice of the fraternal Iranian people. This hinders the liberation of the Iranians and plays into the hands of Yankee imperialism.

The document adds that his presence here goes against the national liberation policy of the nonalined movement which also condemns tyrannical and antidemocratic regimes.

FEP Communique

PA190402 Panama City Domestic Service in Spanish 0200 GMT 19 Dec 79 PA

[Text] The General Executive Council of the Federation of Panamanian Students [FEP] has said in a communique that our country's international act of giving asylum to Reza Pahlavi is no more than that of a banana republic, with the United States imposing the rules of the game.

FEP adds that there has been a profound impact within the student body as a result of the Panamanian Government's announcement that it had given political asylum to the former shah of Iran, who has a known criminal record and is responsible for the deaths of over 100,000 Iranian men and women. These people were systematically assassinated by order of this person and executed by the no less sinister SAVAK police, so unpleasantly remembered by the Iranian people.

According to FEP, there is a direct connection between the national government's decision to take a humanitarian step and the pre-electoral situation in the United States in which Mr Carter is running for reelection.

Finally, FEP says that no argument could ever justify the measure or excuse such a mistake.

No Further Demonstrations Planned

PA190159 Panama City Televisora Nacional in Spanish 2315 GMT 18 Dec 79 PA

[Text] For the second consecutive day the capital has been the site of student protests over shah Mohammad Reza Pahlavi's presence in our country. This morning National Institute students marched toward Santa Ana Park and the Foreign Ministry, and the march concluded with the throwing of rocks which seriously damaged several state-owned vehicles. This afternoon National Guard units tried to contain them near the school grounds in order to prevent further problems. As a result of this situation, the National Institute's Federated Association made an accusation to Maj Roberto Armijo that several students had been arrested and beaten up with pieces of rubber hose. When the students insisted that several of their companions had been arrested, the National Guard officer made all the contacts necessary to confirm or deny the charges while continuing his dialog with the student leaders.

At about 1600, a committee of the secretary general of the National Institute's Federated Association, the mother of one of the allegedly arrested students and one parents' club representative contacted Major Armijo to visit all possible places in order to determine directly whether any arrests had been made.

The National Guard units posted near the National Institute were withdrawn then and this lessened the prevailing tension.

Both the prevention guard and the National Department of Investigation [DENI] denied that any student leaders had been arrested. DENI even unofficially indicated that it does not get involved in student movements because that does not fall within its purview.

The student leaders' spokesmen said after locating several of their companions that for the time being no new demonstrations are expected, but they explained that the final decision rests with the student masses and added that they continue to oppose the former shah's presence in Panama.

Teachers' Leader Statement

PA181600 Panama City Radio Mia Network in Spanish 1100 GMT 18 Dec 79 PA

[Statement by Marco Alarcon, secretary general of Authentic Independent Teachers on the "Resume Informativo" program--live]

[Excerpts] We also want to express our view on the arrival of the shah of Iran.

We consider his arrival in Panama offensive to the Panamanian people. Many groups opposed to the teachers and representatives of the government have said they are against all forms of oppression. Since the Second World War there has not been a worse genocidal ruler than the shah of Iran. He had a secret police comparable to the Nazi regime's Gestapo. I do not see how Panama can be honored by the arrival of this assassin who brought mourning to thousands of homes in Iran.

The newspapers are stressing the alleged humanitarianism of the Panamanian Government. The people should have been consulted about this to find out if they would accept this genocidal ruler's presence in Panama. One has to admit we are going from one contradiction to another. We worked for the overthrow of Somoza, a well-known Nicaraguan criminal. However, we are now accepting with smiles and embraces a well-known criminal like the shah of Iran. I do not see any difference between Somoza and the shah of Iran. If the Panamanian Government helped the Nicaraguan people free themselves from the Somoza dynasty, I do not see why we should receive the shah here.

I do not know what the Panamanian ambassadors abroad are thinking. We are sure the Iranians will not stay quiet. The fact that Panama does not have an embassy in Iran does not guarantee the Iranian people will not react. Our embassies, particularly those in Europe, are in danger of being attacked. Thus, the lives of our ambassadors, their families and other diplomatic officials are threatened.

The presence of the shah in Panama also threatens the peace of friendly countries because an attack on or occupation of an embassy creates anxiety and anguish in the country where the embassy is located. So Panama is also threatening the peace of those countries where we have embassies which can be attacked by Iranian commandos.

We also read in CRITICA that the national government might adopt some measures to counteract the possible reprisals of the Iranian Government. We ask ourselves what Panama can gain by declaring a boycott on ships with merchandise to or from Iran. We ask ourselves what is the famous neutrality treaty for? The neutrality pact says the canal will be open to all countries of the world in times of war and peace. If we are already thinking about blocking the passage of ships coming from or going to Iran, we Panamanians would be violating the neutrality treaty. We should be the main guarantors of this treaty. I believe there is administrative disorder here. We are not functioning logically. One contradiction is followed by another serious contradiction.

Lawyer Issues Statement

PA181647 Panama City Radio Hogar in Spanish 1200 GMT 18 Dec 79 PA

[Statement by Panamanian lawyer Dr Diogenes Arosemena--live]

[Text] Concerning the presence of the former shah in Panama, I must say that just like any other person requesting asylum in the Western hemisphere, he has a right to have his request considered and granted if the respective government wishes to do so.

However, I agree with the Agrarian Labor Party to the effect that should the charges against the shah be proven, then Panama should proceed with extradition. There are several political and philosophical factors that must be taken into consideration concerning the presence of the shah in Panama and the granting of asylum. I do not think anyone with a history of bloodshed should be granted asylum in Panama. That is why I am opposed to the asylum granted to the shah. Furthermore, his presence in Panama will increase the atmosphere of uncertainty and concern surrounding all Panamanians.

We know very well what the shah's opponents are capable of doing. They are religious fanatics who have no restrictions on their behavior. I would say this could even endanger the security of the canal.

What worries me most about this is the fact the American Government has transferred this problem to the Republic of Panama. This makes us appear as an American colony. I honestly believe we should be careful about these things. It is not possible for us to help the American Government every time it has a problem of this nature. Now, I wonder: What is going to happen with our ambassadors abroad who could be kidnaped by fanatic religious groups opposed to the shah? What is the Republic of Panama going to do? How is Panama going to face these political situations in the future?

Some have argued that the shah will bring the investments of a millionaire. I do not think so. I honestly do not think the shah is worried now about making any investments. He has sufficient millions by now. I think the shah is worried about two basic things: his health, which is rumored to be bad; and his personal safety. I would not be a bit surprised if we were awakened one day by bombs exploding in various parts of the city, including the Panama Canal, which cannot be defended. Only our people's desire for peace defends the canal.

That is how I feel about the asylum granted to the shah. I do not think it was a good idea, and I am not pleased about it. I am critical of this asylum and sincerely oppose it because I do not think we should be receiving dictators in our country.

Radio Commentator Arrested

PA181925 Panama City Radio Mia Network in Spanish 1643 GMT 18 Dec 79 PA

[Statements by Dr Jose Manuel Quiros Guardia and newsman Enrique Clark--live]

[Excerpts] [Quiros Guardia] Thank you Radio Mia for this favor. I wish to denounce emphatically the outrage committed a few minutes ago against my brother, Professor Alberto Quiros Guardia. It is another outrage on the part of this government, which without prior authorization and a legal warrant has arrested Alberto Quiros Guardia. It appears to me that humanitarianism for a criminal comes before humanitarianism for a Panamanian, whose only fight is for the good of the fatherland. He never meddles in the affairs of anyone unless it is to defend the fatherland. To explain this to you, I now pass the microphone to Mr Clark.

[Clark] Thank you. I want to thank you and Radio Mia for giving us the chance to voice our most vigorous protest against the incident that occurred this morning--the arrest of Professor Alberto Quiros Guardia, radio commentator and professor here in Panama. The arrest occurred approximately at 1150 this morning.

We wish to state that the arrest took place at approximately 1150 while we were outside the Foreign Ministry watching the picketing by Panamanian business students and the Federation of Panamanian Students.

He was arrested without reason. We believe the only reason could be because we denounced the shah's stay in Panama during the Dialog de Impacto program on Radio Diez. We were only doing what the rest of the people of Panama have been doing in connection with the presence of the criminal assassin, the greatest the world has ever produced--the shah of Iran. This could have been the reason for Alberto Quiros Guardia's arrest. If this is the reason, where is the so-called freedom of speech and so-called democracy in this country.

Quiros Guardia Released

PA181932 Panama City Radio Mia Network in Spanish 1805 GMT 18 Dec 79 PA

[Julio Ortega report--live]

[Excerpts] Dear listeners of Radio Mia: We are in the home of Professor Alberto Quiros Guardia, who has been released. When we were driving down Via Espana, we were lucky enough to see him step down from a bus and enter a car driven by his wife. We ran to his car and asked him what had happened. He told us he had just been released.

Quiros Guardia said he was arrested by armed men dressed in civilian clothes. They apparently took him to the G-2 office of the National Guard. From there, they took him to the Acncon Hill flagmast and released him. That is all I have heard so far, but Quiros Guardia has promised to give us details later.

CRITICA Notes Opposition

PA181748 Panama City CRITICA in Spanish 18 Dec 79 p 6 PA

[The "Ajedrez Politico" column by Rafael Nunez Zarzavilla]

[Text] The topic of the Shah Reza Pahlavi will continue to hold the attention of the Panamanian people for several days. As we had predicted, the reactions in favor of and against his presence are varied, with different views and arguments. The most notorious constant, however, is that Shah Reza Pahlavi, more than his millions, will leave us a million problems with dangerous risks.

The students, in their natural idealism, have already protested the presence of the former Iranian monarch. They cannot accept humanitarian reasons as justification for the great risks to which our government has exposed the country for the United States' benefit.

Furthermore, some sectors feel the United States does not support our country and its liberation struggle, especially in the development of that old strip known as the Canal Zone.

In this respect, these sectors claim our country, at great risk, has helped the government and people of the United States out of a "hole." Meanwhile, their politicians, especially the conservative ones, are trying to push us "into a hole" by creating difficulties in the implementation of the Torrijos-Carter treaties. They are obstructing compliance with the economic commitments in a maneuver to destroy the image of the October revolution and create the impression that the Panamanian people are not capable of administering the assets recovered in the Canal Zone. This maneuver destabilizes the revolution and thwarts its leaders and future plans to overcome underdevelopment and dependence.

The presence of the old, former Iranian monarch, on the other hand, has shattered the destabilizing anticommunist campaign by the opposition which had been designed to corner revolutionary leader Omar Torrijos. This campaign was planned and promoted throughout the country, even in some government circles.

Now this campaign has crumbled. If it is true communism is dominant in Panama as it had been demogagically claimed, the Shah Reza Pahlavi would never have set foot in our country. The communists know, nevertheless, that the Ayatollah Khomeyni has executed rightists and neutrals as well as communists in a revolution nurtured by religious fanaticism.

The issue of the Shah Reza Pahlavi took the political parties by surprise. It was a political move, and the consequences and perspectives will have to be analyzed from many viewpoints--profoundly, and devoid of partisan interests.

There is not the least doubt, however, that the government of President Royo will continue to be harassed, following that old saying "damned if you do; damned if you don't."

Now, with the campaign against communism toned down, it would not be surprising if the political groups should join forces and, along with the honest students and idealists, condemn the shah. Some of them undoubtedly will do so grudgingly because they actually are attracted by the prospects offered to their cash registers by the former Iranian monarch's millions.

In this respect, their anticommunist campaign will be suspended for more propitious times or, as some have already said, for the time when an attempt is made to open an office or bureau here of the Palestine Liberation Organization. This decision, as in the decision on the shah, will have its opponents and defenders.

EDITORIALS PRAISE GOVERNMENT'S DECISION

'Act of Nobility'

PA172012 Panama City MATUTINO in Spanish 17 Dec 79 p 1 PA

[Unattributed Commentary]

[Text] Correct Position

Defense of the sacred right to human existence is over and above any leftist, rightist or centrist ideology. The move made by our government of offering asylum to the shah of Persia [as received] is an act of nobility. The black clouds of fanaticism must not darken our position of nobility, our popular sovereignty. To give a helping hand to the condemned is a Christian principle of the highest order and adds cohesion to solidarity and respect for mankind.

A Human Position

Whether or not we agree with the government exercised by the shah, his right to asylum was indisputable. If other governments denied him refuge, it does not mean they did well, since errors are not justified by other errors. Whether from the left or the right, from the center or from the point, the most certain act is to save a human being from death, and even better if by so doing a crisis that endangers the peace of mankind is prevented.

Shah's Presence Reinforces Neutrality

PA172113 Panama City MATUTINO in Spanish 17 Dec 79 p 6A PA

[Article by Ricardo Lince: "Pro Mundi Beneficio"]

[Text] The arrival in Panama of the shah of Iran has not only placed Panama on the international scene and consequently high on the list of international media, but also triggered a number of questions in local sectors, stirred concern in others, and created a climate of expectation which demands an analysis of its position and its explanation within that permanent and deeprooted Panamanian philosophy of pro mundi beneficio.

President Royo's gesture was a surprise to the world as it constitutes a most dramatic and historic evidence of the independent position of a country. Besides, it ratifies the spirit of the country's neutrality, one of the positive provisions of the Canal Treaty, and identifies the mentality of the people's neutral position in all important decisions.

But that is not all. It is possible that to some sectors, the presence of the controversial Iranian ruler is good business, which in no way affects the Panamanian commercial tendencies. It also opens up prospects for Panama as an international financial center to profit from the former ruler's capital by moving it into Panamanian enterprises which will yield wealth and services, since Panama is a trade and stock center receptive to this type of client.

The presence of the shah of Iran, however, also represents the gallant reciprocity of a nation to its ally, the United States, at a critical moment in its history, when the lives of 50 North Americans are on the line pending the unpredictable reactions of a government, or rather, of an armed mob lacking every sense of authority since they represent the chaotic nature of a revolution geared toward a single objective: destruction. Since the United States is the target of that revolution, it is up to Panama to turn aside the passionate objectives focused on the shah and save the lives of those North Americans, who today represent the civilization, culture and the rules of the game of international diplomacy and justice.

Through its action, Panama is also responding nobly to President Carter, whose political campaign is tied to the issue of the shah of Iran. Carter deserves the support of the Panamanian people and government, and President Royo, living up to the patriotic spirit, moral courage and statesmanship required to visualize the future effects of his actions, has extended a friendly hand to the people of the United States, just as the Panamanian people have always responded in all moments of that nation's crisis and conflicts.

Besides, the name of Panama today grips the attention of the world, the Contadora may be considered as the tourist capital of the area. Apprehensive reactions will be muted by time, which places everything in its rightful place. We receive oil from Ecuador, Venezuela and Lebanon. Let the opposition refrain from claiming that the increase in the price of oil is due to the presence of the shah in Panama because emotional conflicts do not change the monetary coldness of OPEC.

Country Made Sacrifice

PA182145 Panama City CRITICA in Spanish 18 Dec 79 p 4 PA

[Camilo O. Perez article: "Will the Shah Stay Long?"]

[Text] There is no doubt in anybody's mind that the former shah of Iran will have to distribute a few million dollars throughout Panama and that some bank accounts will grow as if by magic, that is if we assume his stay in Panama is not purely idealistic, much less romantic. At least his mentality never was. Let us leave that problem for another time or for the magazine "ANALISIS," of the ideological industrialist Mario Rognoni, to make corresponding observations in the next issue of his magazine.

Today it is necessary to ponder over the consequences of the presence of a former shah who, after several months of uncertainty has found refuge in the already historic "Contadora Island," which in time will become not only a sun and beach resort, but also a museum of contemporary history (Bunker, the Canal Treaties, John Wayne, and now Reza).

That is why, although it is not Monday, the necessary question must be: Will the shah stay long?

We are convinced that in order to evaluate the present problem it would not be proper to answer yes or no, or assess whether it is right or wrong. The presence of the former Iranian ruler in Panama is a political problem, and in politics, the moral criteria are totally different from those that measure the conduct of a citizen in society. The facts are cold and inevitable.

There are two things that must be considered fundamental: to avoid an armed conflict of which we know where it will begin but not where it will end; and the precedent of the U.S. hostages being held in the diplomatic mission in Tehran.

There is a third aspect which is seldom commented on and when it is, it is with some degree of fear: The former shah is known to have followed a fascist current of action and thought.

As can be seen, these are contradictory aspects, and an answer cannot be found through the set of values of mere good or mere evil. And the least of the evils in the entire critical process, which is not just between the United States and Iran as has been implied, is precisely to get the negotiations out of the deadlock they had reached.

That is precisely what the Panamanian Government has done. Panama has provided a way out of this crisis, which before showed little hope of being resolved.

Panama's sacrifice as far as international policy is concerned must serve useful and practical purposes. It does not matter if the shah never supported morally or materially our struggle to eradicate the colonial enclave. That does not matter in the long run. However, the U.S. rightwing sectors must respect the Iranian people and stop sticking their noses into Iran and Panama.

And the former shah, after all, should stop being so selfish and grasp the message: He should turn himself in to an international court and stop being the cause of an international conflict.

Possible Economic Gains

PA182203 Panama City CRITICA in Spanish 18 Dec 79 pp 1, 16 PA

[Jorge Mombeliard article]

[Excerpt] Although the Panamanian Government has placed no economic conditions on the presence of the former shah of Iran, official sources have noted the possibility that, as a token of appreciation, the former Persian emperor could make multimillion dollar investments here.

The official source said that several of Reza Pahlavi's closest financial strategists are expected to arrive in early January to make on-the-spot feasibility studies concerning multimillion dollar investments here.

World Reaction

On the other hand, it was said that while it is true that there has been a very positive world reaction to Panama's humanitarian gesture of admitting the ousted Iranian monarch, the international investment consortiums have viewed the deed from the practical viewpoint, seeing the country as a safe place for investment.

Pedro Rognoni, manager of the National Financial Corporation [COFINA], another official interviewed by CRITICA, said that indeed various U.S. companies have in the past few days expressed the desire to invest in Panama in view of the fact that this country has relieved the United States of a great deal of pressure.

The COFINA manager said that to open the doors to a human being, after he had received refusals from Mexico and Argentina--to mention only a few countries--has highlighted the pluralist nature of the nation's government, people and economy.

"Panama has once again capitalized on its geographic position and its open door policy to all those needing peaceful refuge while at the same time, and most importantly, we have helped to find a peaceful solution to the present Iran-United States crisis," Rognoni said.

AMBASSADOR REPORTEDLY MEETS WITH MRS PERON

PA150152 Panama City Domestic Service in Spanish 2210 GMT 14 Dec 79 PA

[Text] A reliable source has reported that Hugo Torrijos Herrera, Panamanian ambassador to Argentina, met with former president Maria Estela Martinez de Peron as part of the effort to obtain her release.

The diplomat, Gen Omar Torrijos' brother, met privately with the former president this week on the farm she owns, where she is being kept for allegedly mismanaging government funds. Representatives of the defeated president have been to Panama several times to request the support of President Aristides Royo in their efforts to obtain her release.

It has been discounted that Mrs Peron will be granted amnesty at the end of the year. On the contrary, the announced visit of General Torrijos to take place after February will enable him to continue the efforts to obtain Mrs Peron's release.

It was also reported that the Panamanian ambassador was able to confirm that Mrs Peron, who has her own domestic staff at the farm, is in good physical condition.

The military government is keeping her under house arrest because legal actions against her are still underway.

In a news conference held yesterday, President Jorge Videla said that he did not know of any negotiations being carried out by Panama to give asylum to Mrs Peron in that Central American country.

COSTA RICA

U.S. TUNA BOAT SEIZED FOR ILLEGAL FISHING

PA182002 Panama City ACAN in Spanish 1922 GMT 18 Dec 79 PA

[Text] San Jose, 18 Dec (ACAN-EFE)--The U.S. tuna boat Bold Adventures was seized by Costa Rican authorities on Friday when it was allegedly fishing illegally near Coco Island, under Costa Rican sovereignty and located some 300 miles from the Costa Rican coast.

This is the second time the boat has been seized in less than 2 years. The captain of the boat, Jose Augenio da Gracia Jr, is Portuguese.

Legal proceedings have begun against the Bold Adventures in the port of Puntarenas. The accusation will be prepared by the attorney general of the republic.

ASYLUM GRANTED TO SOMOZIST REFUGEES

PA190327 Paris AFP in Spanish 0031 GMT 19 Dec 79 PA

[Text] San Jose, 18 Dec (AFP)--Costa Rica has granted asylum to 13 former supporters of overthrown Gen Anastasio Somoza, Foreign Ministry sources today announced here.

The refugees include several former Nicaraguan National Guardsmen, air force Lt Javier Pilarte Mairena and Maj Alberto Gutierrez Flores and his three children.

According to the Foreign Ministry, most of the refugees are currently staying in the Spanish Embassy in Managua and will arrive shortly in Costa Rica. Two others are in the Costa Rican Embassy in Managua and two more have already arrived in the country.

The refugees also include a member of the Nationalist Liberal Party, whose chief was Gen Anastasio Somoza.

STUDIES CONFIRM EXISTENCE OF PETROLEUM

PA182243 San Jose Radio Reloj in Spanish 1730 GMT 18 Dec 79 PA

[Text] There is petroleum in five parts of Costa Rica. Mexican geochemists will update existing studies and initial production would be 50,000 barrels a day.

For the past three decades, studies, explorations and drilling went on to find petroleum in various parts of the nation. Some areas show great possibilities, but government decisions are necessary.

Studies made 25 years ago which had been kept in a safe reveal that petroleum exists in at least five regions of Costa Rica. This was confirmed by technicians from the United Nations, Venezuela and Mexico and opens great possibilities for the nation's economy. There is petroleum in Cocales, Baja Talamanca, the southern Pacific basin, the Micoya Peninsula and the northern basin, where generating rocks [rocas generadoras], seal rocks [rocas sellos], reservoir rocks]rocas reservorias] and mass rocks [rocas trambas] have been found.

Evidence of petroleum in commercial quantities in Costa Rica has moved the Mexican petroleum enterprise to send geochemists to Costa Rica. They will update studies and confirm in the field the evidence regarding each type of rock and specifically, the petroleum deposit. However, none of this can be done until the legislative assembly approves the law pertaining to hydrocarbons and exploration for petroleum.

Petroleum production in the area of Cocoles and Baja Talamanca on the basis of the studies made has been established to be 50,000 barrels a day.

EL SALVADOR

25 DIE IN CLASH WITH POLICE IN EL CONGO

PA190450 Paris AFP in Spanish 0408 GMT 19 Dec 79 PA

[Text] San Salvador, 18 Dec (AFP)--According to an army communique, 25 people died today in a clash with the police in El Congo, 50 km east of San Salvador.

POLICE EVICT TELEDIARIO OCCUPANTS, ARREST LP-28 MEMBERS

PA190437 Panama City ACAN in Spanish 2304 GMT 18 Dec 79 PA

[Text] San Salvador, 18 Dec (ACAN-EFE)--The Salvadoran police today violently evicted the occupants of the communications center, better known as Telediario Salvadoreno, located in this capital.

Policemen in personnel carriers with combat gear and other equipment immediately arrested five members of the leftist 28 February Peoples Leagues (LP-28), a group which has supported the cameramen and newsmen in their occupation since Thursday. The Telediario workers were struck with guns or otherwise beaten by policemen. The national police reported that it had confiscated several weapons from LP-28 members.

The workers had occupied the building to demand better wages, overtime pay and proper treatment by Guatemalan entrepreneur Carlos Rosas Gaytan, owner of the communications center.

Salvadoran newsmen are indignant over the attitude of the police. Spokesmen for the newsmen have said that they will contact the Latin American Federation of Newsmen (FELAP), headquartered in Mexico, to have it condemn this deed.

GUATEMALA

TERRORISTS SET OFF BOMBS IN SEVERAL LOCATIONS

PA181832 Panama City ACAN in Spanish 2338 GMT 17 Dec 79 PA

[Text] Guatemala City, 17 Dec (ACAN-EFE)--Six people sustained burns when they were trapped by a fire caused by a terrorist bomb placed by six unidentified individuals in Santa Lucia, Escuintla Department, on the southern Guatemalan coast. The Guatemalan National Police today reported that this was only one of several bombs set off by terrorists late Sunday night.

Another bomb exploded on the roof of a bar in Guatemala City, while others exploded in front of private residences in western Guatemala.

In western Guatemala, military forces are looking for the guerrillas who ambushed a patrol last week, killing one officer and two enlisted men.

A fire also destroyed several large bins of grain in southwestern Guatemala City. The cause of the fire is unknown. Losses are estimated at more than 10,000 quetzales (on par with the dollar).

The police and the army indicated that the bombs are part of a campaign "to sow terror and provoke the people to change the constitutional order."

NICARAGUA

D'ESCOTO VIEWS PARTICIPATION AT GROUP OF 77 MEETING

FL181952 Havana Domestic Television Service in Spanish 1800 GMT 18 Dec 79 FL

[Television interview by (Juan Perez Dominguez) in connection with Group of 77 ministerial meeting, with Nicaraguan Foreign Minister Miguel D'Escoto--recorded, date and place not given]

[Text] [Question] [Begins in progress]...Miguel D'Escoto who graciously has agreed to an interview with national television news. Foreign minister, first of all, we would like to know your evaluation of new Nicaragua's presence at this meeting, the Group of 77, which has just been opened here in Havana. And what are your country's views regarding the search for a common strategy for development.

[Answer] Well, we believe our involvement at this meeting is very important to be able to participate and help the Group of 77 form the [words indistinct] of a strategy which is clear and has vision for the New Delhi meeting. We believe the industrialization [words indistinct] of the developing countries is a vital element for political and social development, for progress and for world peace. We believe that it is of highest importance that the unity of the Group of 77 be intensified and that we do not assume weak positions, that we try to see matters with all objectivity--which are the true requirements for justice in this matter.

Because to the degree that we, in a unified manner, become the spokesman on the requirements needed by the Third World in the area of industrialization, to that degree we will aid in strengthening peace in the world. When what the people justly need and ask for is not obtained through persuasion or reason, the people always know how to find a method to satisfy their legitimate demands through the use of force. And this is something which would be unfortunate. But if we assume a weak position and if we are not able to obtain what the world really needs, then I believe that the future of mankind in this century is pretty gloomy.

D'ESCOTO ADDRESSES CENTRAL AMERICA ON UNITY, SUMMIT MEETING

PA181352 Managua Radio Sandino in Spanish 0300 GMT 14 Dec 79 PA

[Speech by Nicaraguan Foreign Minister Miguel D'Escoto to Central American countries over radio and television network reviewing his recent tour of the area--recorded; date and place not given.]

[Text] Dear fellow countrymen and friends: I address the sister nations of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama through this Central American radio and television network to report to them on my recent visits to the capitals of those friendly countries. During my visits, I held cordial meetings with foreign affairs ministers and high-ranking leaders to convey to them a greeting from the Junta of the Government of National Reconstruction and from the entire Nicaraguan people.

At the beginning of a stage filled with hopes for our country, Nicaragua is fundamentally interested in maintaining good relations with all countries and cordial--rather than good--relations with the Central American countries. The Central American countries have a common origin and destiny, as do the countries on all continents capable of resisting the interventionist onslaught which has been a common experience on this isthmus.

At this crucial stage, one can again perceive in Central America, and in Latin America in general, attempts to disrupt and divide our unity. It is our duty to counteract any influences threatening or even posing a danger to that unity.

We are aware that foreign interests are only one threat to our unity. It is also threatened by the campaigns of a certain sector of the press and even by the failures of our own governments. Our unity is especially threatened by the absence of a permanent and effective dialog among them. My government felt the time was appropriate for me to tour Central America as Nicaraguan foreign minister. I carried a fraternal greeting to the other five capitals from the Nicaraguan Government and people. I also expressed the most sincere feelings of cordiality and understanding. I explained to them that we regard harmony as an absolute priority and that we Nicaraguans are also Central Americans. I added that Nicaraguans have a strong desire to be Central Americans.

In order to counteract the external plotting, to begin the dialog and to attain our objectives as soon as possible, we are taking the liberty of calling for a meeting of the area's heads of state in Managua on January 26-27. I am pleased to inform you that this initiative has been enthusiastically welcomed by all heads of state.

Without adhering to a rigid agenda, the summit will discuss such topics as Central American economic integration, energy products, transportation, [word indistinct], the technology of production and marketing of farm products. The summit will also discuss the exportation of bananas, coffee, cacao, soybeans, fruits and other products such as minerals, cattle and meat. The idea is to confront common problems as a single country. We must defend our interests and prevent foreign financial interests from taking advantage of the absence of a joint policy in international negotiations.

The foreign ministers of the six fraternal countries will meet beforehand in San Jose, Costa Rica, from 15-17 January. This will be to prepare for the summit. This meeting will also be attended by Vice Adm Ramon Emilio Jimenez, Dominican foreign minister. This meeting will be an initial attempt to merge our friendship and common interests with those of the Caribbean and to pave the way for a future participation of our brotherly English-speaking countries in the Caribbean area.

The Nicaraguan Government and people regard the Central American peoples as their logical and desirable allies. We are especially grateful for the expressions of solidarity we have received during my trip to the capitals of sister nations in my capacity as Nicaraguan foreign minister. We are even more grateful because the top leaders of those countries will be meeting in Managua to discuss topics of vital interest to all of us and, most certainly, to lay the groundwork for the formulation and implementation of programs to further the integration process in Central America. The final goal is to achieve social, cultural and economic progress for the Central American people.

The Nicaraguan foreign minister takes advantage of this radio and television network reaching all countries in our area to extend to you a very cordial and fraternal greeting on behalf of the Junta of the Nicaraguan Government of National Reconstruction and on behalf of the entire Nicaraguan people who are now dedicated to placing Nicaragua's entire national structure on its feet. I extend it to all the people of Central American countries. You are our brothers by blood and history. Thank you, dear compatriots, and good night.

EL PUEBLO COMMENTS ON PANAMA'S ACCEPTANCE OF SHAH

PA190335 Panama City ACAN in Spanish 2245 GMT 18 Dec 79 PA

[Text] Managua, 18 Dec (ACAN-EFE)--By offering refuge to the former shah of Iran, alleging humanitarian reasons, the Panamanian Government has pulled the chestnuts out of the fire for U.S. imperialism, the leftist paper EL PUEBLO says today.

According to the morning paper, "This humanitarianism must be understood as humanitarianism toward the poor former shah and a mockery by imperialism of both the Panamanian and Iranian people."

According to EL PUEBLO, this development shows to what extent the United States continues to influence Panamanian affairs. The former shah's presence in Panama is compared with that of the controversial U.S. millionaire Robert Vesco in Costa Rica, a few years ago.

"Because of promised investments that would in part help alleviate the economic situation, the Costa Rican rulers did not care to smear the country with the blackest and coarsest scum of international capital.

OFFICIAL JUSTIFIES NATIONALIZATION OF FOREIGN TRADE

PA180425 Panama City ACAN in Spanish 2135 GMT 16 Dec 79 PA

[Text] Managua, 16 Dec (ACAN-EFE)--Nicaraguan Foreign Trade Minister Alejandro Martinez Cuencas said today, Sunday, that in many Latin American countries "there is great fear" of nationalizing foreign trade in view of the pressures that can be created by antipopular interests.

Speaking at the "house of newsmen" in this capital to Nicaraguan journalists, Minister Martinez Cuencas said that perhaps due to this situation in Latin America there are only two foreign trade ministries--Cuba and Peru--although the latter country has lost strength.

He added that in Nicaragua the nationalization of foreign trade is one of the pillars of the revolution, the others being the creation of the Sandinist Peoples Army, the nationalization of banking and the creation of the state property area.

He added that because foreign trade was not nationalized during the former regime, wealth accumulated in the hands of the few. He stressed that the lack of foreign trade in state hands, the operation of private banking and the action of middlemen caused a financial excess in the hands of a minority.

He added that this typically capitalist structure produced a type of economic growth which could not be viewed as development.

"Wealth, financial surplus and foreign exchange were in the hands of a few while the large majorities did not receive the benefits of development," he noted.

He said that the objective of nationalizing foreign trade is not solely aimed at obtaining all the foreign exchange. He explained that the revolutionary measure seeks to break former economic structures, especially in the field of foreign trade, one of the most dynamic of the Nicaraguan economy.

Martinez Cuencas said that in Nicaragua they are seeking economic growth, but they are also seeking to boost development to distribute "human welfare" among the large majorities to bridge the gap between those who have much and those who have nothing.

The Nicaraguan minister said that the government is currently creating 10 foreign trade offices in 10 strategic parts of the world. With these 10 foreign trade offices, Nicaragua plans to negotiate contracts directly with countries wishing to maintain prolonged commercial relations with this country.

At the same time, they seek to establish important contacts with these offices and maintain a flow of strategic information for decisions to be made in foreign trade aspects.

The minister said that Nicaragua has in fact entered the stage of achieving direct agreements with foreign countries through a better negotiating capacity. The new markets obtained for "Nica" products include Spain, the GDR and others. Contacts are currently being made with Vietnam, the PRC, Asia, and Jamaica in the Caribbean area.

REPAYMENT OF FOREIGN DEBT WILL NOT BEGIN FOR 2 YEARS

PA182252 Panama City ACAN in Spanish 2158 GMT 17 Dec 79 PA

[Text] Managua, 17 Dec (ACAN-EFE)--Nicaragua is unable to begin to pay its foreign debt for at least the next 2 years as a result of the "disastrous economic situation" inherited from the Somozist regime.

This was clearly explained by a team of Nicaraguan officials involved in renegotiating the country's foreign debt who recently traveled to Mexico for this purpose. This was announced today by Alfredo Cesar, director of Nicaragua's International Reconstruction Fund [FIR], who is a member of the negotiating team.

It was stressed that for the first time, New York and London have stopped being sites for the renegotiation of the foreign debt since Nicaragua refused to renegotiate the debt outside Latin America. Mexico was accepted as site of the talks because it filled a number of requirements such as the fact that the Lopez Portillo government has close ties with the Nicaraguan revolution.

As a result of the debt left by the overthrown Somoza government, Nicaragua has to pay $1.26 billion to private international commercial banks and to multilateral financial organizations such as the World Bank and the International Development Bank.

Of that amount, Nicaragua owes $490 million to private commercial banks of the United States, Japan, Canada and other countries.

Those banks granted credits to the ousted Somoza regime in hard terms (floating rates) on the basis of very bad planning regarding the expiration terms which made payment of those funds impossible even if the economic conditions were normal, Alfredo Cesar said.

An unspecified amount of the $490 million was granted to Somoza on the basis of "corrupt practices which violated international banking principles," the FIR director added.

The official indicated that Nicaragua clearly told the 72 representatives of the foreign private commercial banks in Mexico that this type of debt will not be recognized by the Nicaraguan Government.

The Nicaraguan group also stressed that "the international financial community must share responsibility for Nicaragua's debt levels in 1971 to 1979." It was noted that in 1971 Nicaragua incurred a debt of $203 million while in 1979 it incurred a debt of $966 million.

Nicaraguan Central Bank President Arturo J. Cruz said that in Mexico, Nicaragua indicated that the service of the foreign debt will be subordinated to the interests of the Nicaraguan revolution. Therefore, the foreign debt will begin to be paid perhaps in 2 years when the country's economic conditions permit this.

As a result of the initial meetings between the Nicaraguan Government officials and the representatives of the foreign private banks, the latter appointed a 12-member negotiating committee. The committee and a Nicaraguan mission will again meet in January, possibly in Mexico, to continue the talks that will eventually establish the form in which Nicaragua will pay its $490 million debt to the group of foreign commercial banks.

FINANCE OFFICIAL DISCUSSES ECONOMIC PROBLEMS

PA162307 Managua Radio Sandino in Spanish 1200 GMT 12 Dec 79 PA

[Station report on Nicaraguan economy]

[Excerpt] All the people have the right and duty to know why there is unemployment and why there is a growing shortage of staple goods, why there is a scarcity of rice and beans, and what the Nicaraguans can do to confront this problem and overcome it. We all have a role in this fight; problems will not be solved by magic.

This morning we have the contribution of Companero William Hipper, deputy minister of finance, who will speak on this important matter. Companero Hipper says: There are two types of problems affecting the national economy in 1979: The first is a result of the structure of the Nicaraguan economy itself; the second is a result of the massive bombing by the Somozist air force, the genocide policy of the National Guard and the destruction and chaos sowed by Somoza and his allies before their defeat at the hands of our people led by the Sandinist National Liberation Front.

Companero William Hipper also explains that problems resulting from the economic structure inherited by Somozism will be solved as we advance in implementing the changes begun on 19 July.

The other problems are being solved as a result of advances in the organization of the state machinery, the reactivation of the national economy in the organization of the Sandinist Defense Committees, the Sandinist Workers Confederation, the Farm Workers Association, the EPS and the PNS [not further identified].

In general terms the main problems are explained by the Somozist repressive and dictatorial regime which concentrated wealth in a few hands, excluded the great majorities and served imperialist interests. With Somozism, Nicaragua was subjected to political and economic domination by imperialism.

The history of Somozism is the history of dependent capitalism in Nicaragua. This is why we are discussing at this time a plan to reactivate the economy to benefit the people. This plan will be implemented in 1980 and is a concentrated effort to establish the bases for a new economy, a new system of social and economic relations in our country and a new system of relations with the rest of the world.

UNIDENTIFIED INDIVIDUALS FIRE ON MANAGUA UNIVERSITY

PA161931 Panama City ACAN in Spanish 1453 GMT 15 Dec 79 PA

[Text] Managua, 15 Dec (ACAN-EFE)--Unidentified individuals, presumably counter-revolutionaries, opened fire Friday night on the installations of the Ruben Dario University campus in Managua, wounding one woman.

The shooting occurred shortly before the coffin with the remains of Commander Edgar "Gata" Munguia was brought to the university. Members of the Sandinist People's Army arrived in the area and returned the fire for approximately 10 minutes.

The body of Commander "Gata" Mungia was brought down from the northern Nicaraguan mountains--where he died fighting a few years ago--to Managua, where the Sandinist National Liberation Front leaders are honoring him. Mungia was president of the University Center of the National University (CUUN), which groups all the students.

It has been learned that two unidentified persons have been arrested as part of the investigations of Friday's action.

BORGE SAYS GUILTY SOMOZISTS WILL BUILD HOSPITAL

PA190329 San Jose Radio Reloj in Spanish 0100 GMT 19 Dec 79 PA

[Text] Interior Minister Tomas Borge Martinez said today that the revolutionary tribunals are designed for the punishment of those who persecuted and assassinated the Nicaraguan people with the severity prescribed by the Sandinist revolution's moral and political philosophy.

The revolutionary commander disclosed that former servants or supporters of Anastasio Somoza's government who are convicted by the special tribunals will be incorporated into a work gang that will be responsible for building a hospital.

"We will have no parasites. Just as they helped to destroy our country, so will they now have to help rebuild it," the minister said.

FIDEL CASTRO WELCOMES GROUP OF 77 MEETING

FL181400 Havana Domestic Television Service in Spanish 0136 GMT 18 Dec 79 FL

[Speech by Cuban President Fidel Castro at inaugural session of Group of 77 ministerial meeting held at Havana's Palace of Conventions on 17 December--recorded]

[Text] Dear friends: We are meeting again in Havana when we can still hear the echoes of the [nonalined countries] sixth summit. Cuba has the privilege of receiving the members of the Group of 77 who come here to plan their efforts and program for the new battle for industrialization which will take place in New Delhi in a few weeks. We welcome you all to our country with pleasure, honor and fraternity.

The emergence in the early years of the past decade of what has continued to be called symbolically the Group of 77, but which is now composed of 119 countries, can be considered in the strict sense as a real sign of the times. If the nonalined countries movement, which was initiated a few years earlier, came to be the political conscience of countries that were emerging from colonialism and neocolonialism and were trying to realize their full independence, the Group of 77 emerged as their economic conscience.

The fact that such a heterogeneous group--composed of countries whose physical and cultural characteristics seemed separated by sometimes insurmountable distances--was able to unite despite their political, territorial or religious diversity and to firmly maintain the same program tells us how common are the history and sufferings of countries which prolonged colonialism and intensive neocolonialism condemned to backwardness for decades, how similar are their problems and, consequently, how similar are their objectives and goals.

When the countries which at that time were obtaining their apparent independence and the others which had gained independence a century earlier and which colonialism had turned into impoverished dependencies of new metropolises began to meet for the first time, the joint study of the problems affecting us led us to draft demands aimed at reaching objectives that had been achieved more than a century earlier by the industrialized countries.

As the members of the Group of 77 meet in Havana today, it is both disgraceful and dramatic that we should have to repeat here, almost without variation, the demands, aspirations and programs which had united us and with which we have been knocking on the doors of the big industrialized powers since the founding of the Group of 77 without any heed to our appeal.

The voice of the countries which at that time formed the group was heard for the first time on the occasion of the first UN Conference on Trade and Development [UNCTAD]. But it was the Algiers charter of 1967 that presented the coherent and comprehensive program which, beginning at that time, constituted the unobjectionable platform of the Group of 77. Since that time, there have been five UNCTAD conferences and two conferences of the UN Industrial Development Organization [UNIDO]. Hundreds of committees, commissions and subcommissions have met. However, we can say, undiscouraged but with justifiable irritation, that there has hardly been any progress in the economic program for development and very little in the decisive and dynamic part of that program--industrialization.

The modest figures that reflect a minimum industrial development are, by themselves, deceiving because they apply only to five or six countries with especially favorable conditions in natural or financial resources of the more than 100 countries of the underdeveloped world.

And some of these same few processes of industrial growth, which sometimes are shown as an example of what we could do, when analyzed constitute, to the contrary, a worrisome expression of the distortions which our economies are led into by foreign monopolistic presence, as much in its old forms as [word indistinct] as in its modern and voracious forms as transnational enterprises.

The developing economies which present the highest figures of apparent industrialization already have reached their critical point and quite clearly show the contradictions that do not allow them to advance. It is hardly necessary to say that the Lima program, which outlined for us an objective that still was insufficient, seems to be destined to remain half complete and that the industry of developing countries--which is not always the one we need and want--today, as has been said, barely covers nine percent of the world's industrial production.

The so-called North-South forum has served more to worsen contradictions than to promote the means to solve them. And the sixth summit conference of heads of state or government of the nonalined countries movement once again pointed out clearly and precisely the origin of this impasse. The lack of political will and cooperation of those big industrial powers which, after centuries of receiving the direct benefits of colonialism and neo-colonialism, today insist on not giving up the privileges they receive from the uses of the economic inequality that today separates our countries from the developed countries.

As we gather, therefore, on the eve of the third UNIDO conference and with a view to its deliberations, it is necessary that our countries of the Group of 77 once again examine our platform and outline future action. We have before us the result of regional deliberations and proposals that UNIDO has prepared for New Delhi. The Cuban delegation will have the opportunity to report our positions in detail during the general debate and work of the committees.

Allow me, however, to share with you, with these words of welcome, some thoughts about the great problems we have before us. The first premise for the triumph of our aspirations is the internal unity of the group and the mutual coordination of our efforts. I believe that this Havana meeting should be an expression of that unity and that our deliberations should lead us to demonstrate not only political cohesiveness but also to continue the path already undertaken for our necessary and possible economic cohesiveness.

UNIDO studies and the efforts of the most prominent economists of our countries confirm, as established in our successive meetings and those of the nonalined countries movement, that there exists a vast possibility for development, particularly industrialization, in uniting our economies. There is no doubt that as long as we continue the battle for access of our industrial products to the big markets of industrialized economies, we can undertake real qualitative leaps in industrialization not only through complementary industrialization among our countries and regional integration, but also beyond that in joint programs for our potential market of more than 2.5 billion human beings with enormous wealth in raw materials and a young and willing treasure of wasted labor force.

Without falling into the false pretense that self-sufficiency would expand our objectives, the common markets of our countries--so as to no longer speak of a single and impressive potential common market--could become an instrument for simultaneous progress and defense. It would allow us to grow and, at the same time, to reject impositions. It would give us an extraordinary negotiating power for necessary dialog as much as for opposition if the latter were to become universal.

If today we can speak with such certainty, it is because the financial resources which in the past were the exclusive monopoly of the big developed powers with their financial centers in London or New York are now moving to a considerable degree to zones of our own developing world. The political position of oil-producing countries [is] manifested in quite varied ways and in quite diverse forums. The nonalined countries movement and the meetings of our Group of 77 permit us to expect that contributions to development which they already are making can be substantially increased and taken advantage of to draft a coherent program that utilizes all our common possibilities, our common economic, technical and human resources, and that would serve to guarantee that part of our industry which could be achieved without the biggest industrial powers and even with the opposition of those which insist on refusing us support.

In this way, as new potential industrial centers and growing markets arise, it would be possible for us to discuss what an industrialization program at the international level should be. We do not have the slightest doubt that as we advance on this path, the economy of those developed countries that today see us only as an object of exploitation and as a transnational setting for the search of high profits, will be obliged to take us into account as factors of international cooperation.

The nature of our struggle for industrialization will vary qualititatively. On that endeavor--I am certain of it--we will count on the support of the industrialized socialist countries as well as of other countries that prefer to manage their economies without plundering others. However, we should state frankly that if we want to make our own forces an element of self-sufficiency, it will not be possible to achieve it as long as in most of our countries there exist backward social structures that represent in themselves an obstacle to industrialization.

The recent world conference on agrarian reform confirmed once again that for most developing countries a reform of the system of property ownership and distribution of agriculture constitutes a premise for any progress toward industrialization. Most recent history has helped us confirm that the so-called industrialization of developing countries based on schemes directed at satisfying the consumption of a minority of the population ends by making them victims of their own self-limitation regardless of the size of the countries involved.

It is not by producing automobiles for the 15 percent privileged ones that our countries will be industrialized. Neither will development come to us by organizing so-called poles of development aimed at facilitating the transnationals' operations with cheap labor for export aims while such poles remain in an ocean of poverty and backwardness.

On the other hand, the task of development cannot be carried out if it does not have the people as its real protagonist; and the people, current and potential workers and the peasants who are to provide us the raw materials or food for the industrial effort will participate only when they consider development as their own undertaking, when they are not called upon to make sacrifices with long hours of work for the benefit of privileged minorities in order to reinforce with a perpetuation of their poverty the affluence of those minorities. The people must be the principal protagonist of development.

Mr. Chairman, members of the conference, guests: if internal unity and economic cohesiveness among our developing countries for mutual support is an essential element to definitively achieve the industrialization of our countries and, also, if, as we all recognize, industrialization is to be accompanied or perhaps preceded by substantial internal transformations which adapt our economic structures to the needs of industrialization and prepare our peoples to be able to be the executors of the development policy, it must be said clearly that the industrialization we strive for will not be achieved only in that way.

Realization of an industrial transformation which would benefit the more than 2.5 billion human beings who today are constrained to conditions of underdevelopment or insufficient development is a problem of universal dimensions which should and must be solved at the world level. Above all, it is a case of eliminating relations of inequality between the developed capitalist world and the underdeveloped world. These relations not only are unjust, but also unbearable and, for that same reason, potentially dangerous.

The third UNIDO conference in New Delhi will be held at a critical moment in international economic relations. It is not possible to disguise the fact that the developing countries represented by the Group of 77 withdrew from the fifth UNCTAD with a feeling of frustration which, as I have said at times, tends to turn into justified exasperation.

If today we were to examine the Algiers charter drafted by this Group of 77 12 years ago, we would confirm gloomily that almost all aspirations contained therein are still to be realized. We could add that in not a few aspects the situation has become even more negative for our countries. The figures which show not only the backwardness in which we remain with regard to our objectives but, more grave still, how the gap that separates us from the developed countries is expanding, are contained in documents that UNIDO has drafted for the third industrial development conference.

It is up to the developing countries to prevent the New Delhi conference from once again becoming a forum in which sterile promises are associated with defrauding limitations and where the hopes for development again are postponed.

The big developed powers which think it is possible to maintain indefinitely the status of inequality and exploitation of our resources, while they block with growing protectionism every attempt at industrial exportation by our countries, should be made to see that we are determined to break forever that scheme of unequal relations in which they want to keep us involved. What we aspire to is not an alleged industrial redeployment consisting of transferring to our countries those industries whose high labor cost make them unprofitable in developed centers. Neither can a redeployment consist of transferring low-level technology to us in order to give inequality a new content and permanent nature.

During the industrial revolution, the ideologists of early capitalism drafted an economic theory which, claiming alleged comparative cost advantages, condemned us in perpetuity to be producers of raw materials and semimanufactured goods, while they received the advantages of all technological development. New theoretical speculation of the same sort today serves to sell us modern subordination, disguising it with features of development and transferring to our countries industries which poison the environment or technically hold back our workers.

The solutions that must be found to the problem which today separates the developed and developing countries are other than that. An analysis of the international economy shows that such solutions not always have to go through confrontation; they can be attained through cooperation. In fact, only the historic blindness that always has affected the ideologists of the systems in crisis makes the representatives of developed capitalism think that industrialization of the so-called South has to be made at the expense of industrial stability in their countries which reached economic maturity earlier. On the contrary, the development and promotion, at the international level, of the industrialization of still backward countries appear to us to be the only possibility that those developed economies--which today are experiencing chronic stagnation and inflation and are transferring some of their harmful phenomena to the socialist economies--have to evade the permanent recession in which they have been involved for the past several years.

At the same time that the Group of 77 and nonalined countries movement present with complete clarity their firm decision not to continue to be subjected to inequality and flooded in backwardness and proclaim that to prevent it we will struggle with all means that our economies and policies allow, we should establish that we do not believe that this is the only solution and we are willing to seek other possibilities through constructive but profound and true discussion.

Speaking before the Cuban people 3 years ago when referring to the right of the oil producing countries to set a price on that nonrenewable wealth they possess and to reject the imperialist attempt at imposing militarily a return to low prices and the ominous exploitation which they had eliminated forever, I also spoke about the possibility that the new international situation was creating a recycling through the underdeveloped world of the financial resources derived from the oil left to those countries after resolving the demands of their own development.

Without energy there is no possibility of development. Solutions to energy and financial problems must be found that are proper and just for the underdeveloped countries which do not have petroleum. We will never tire of insisting on this. It is not a matter of knowing how much the price of a barrel of oil increases each year or every 6 months. It is also necessary to know how much the great oil-exporting countries can contribute to the supply and development of the poorer countries which have no energy resources and which today live a most dramatic situation.

They do not have in their banks the financial surpluses of oil or large centers producing machinery, industrial equipment and arms to exchange for fuel. Not to take this into consideration will sow division among us and would be deadly for all of us. It is a bitter precedent that the Iranian billions were frozen by the United States and its international banks. If those funds had been deposited in underdeveloped countries, they would have been justly invested and much better protected. [applause]

For their part, the developing oil exporting countries, aware of this reality, have said they are willing to help in the cause of industrialization and economic development. The same thing cannot be said of the majority of the developed capitalist countries, especially those which are mainly responsible for having caused the backwardness we have now endured throughout prolonged years of colonialism and neocolonialism. At the same time, the great international financial centers have been so tremendously flooded by Eurodollars that the excess of liquidity is creating increasingly more serious problems to the international monetary economy.

However, today's flow of loans toward developing countries barely covers the enormous deficits of the balance of trade of their economies, which has surpassed 50 billion dollars annually, as well as the interests they pay for that progressive indebtedness. As long as there is unequal trade, that situation will continue to worsen. In order to eliminate it, before resolving the problem of international trade as proposed precisely by the Group of 77 and the nonalined countries movement, it is necessary to stimulate the financial resources for development and industrialization.

If we were to use the figures determined by the international organizations, such as the UNIDO and the FAO, we would have to demand for the next decade annual financing amounting to several billions. In some of the regional documents prepared for this Group of 77 meeting, we have seen that when referring to this problem of international financing the thesis is that it should be sought preferably more in commercial terms than in grants. Allow me to express to you our profound conviction that this will not be possible. If the developing countries' debt has reached the amount of 333 billions, which implies an annual outlay of more than 40 billion dollars in payment of services for the debt alone, the weight of the additional indebtedness required by the world effort of industrialization and overall development would not be assimilable in banking terms.

With payment terms of 3 and 5 years and with interests in the range of from 8 to 15 percent according to each case, no country will be able to become industrialized.

That is why when submitting to the 34th meeting of the UN General Assembly the results of the sixth nonalined countries movement summit conference, Cuba urged the profound and complete discussion of the financing problem. At the time we proposed that in addition to the resources already organized through various banking channels, through granting organizations, through international institutions and private financing agencies, we need to discuss and decide the manner in which, when the next decade of development begins, an additional contribution of no less than 300 billion dollars be added to the real values of 1977. We maintained that such aid should be made in the form of donations and long-term soft credits with the lowest interest possible.

I wish to express sincerely to you my opinion that such a figure is still insufficient. In just military activities much more is being spent, and that is not in 10 years but every year. [applause] Taking into consideration the complex forms required by international financing, we do not wish to formulate here the idea of a sole and only fund but of a flow of resources--financial, material and human.

UNIDO has submitted the initiative of creating a new global fund for stimulating industry. This could be part of the flow of resources to which we have referred. Likewise, in recent months there have been initiatives from countries which are members of the Group of 77, such as Algeria, Iraq and Venezuela, each of them with different characteristics. On the occasion of the sixth nonalined countries summit conference, the president of Madagascar, Comrade Ratsiraka, presented interesting initiatives in this field. We do not favor a single flow or a single system of distribution. We do not want to set a certain figure but a minimum. What is important in our judgment is that the problem of financing be placed at the very center of the industrialization strategy and, due to this, of the strategy for the third decade of development, which will be discussed next year at the United Nations special assembly meeting.

If we do not make financing a capital and decisive issue and leave its process in the hands of international banking mechanisms and the great private banking industry, if we do not sit down to deliberate and discuss how to face up to the enormity of resources required by industrialization and development of which it is part, we will not make any progress. That is why it is for us a legitimate source of pride that the Group of 77 in a meeting in New York approved a draft resolution to be discussed at the UN General Assembly in which the preparatory committee of the new international development strategy is charged with the examination of all aspects of the proposal submitted by us during the 34th period of sessions, recommending that the preparatory committee study the viability and means and forms to implement said proposals within the framework of a third UN decade for development.

We are convinced that if we organize the financing resources of the great centers of world capitalism which today gravitate as surplus over its own money markets, joining them to those of oil-producing countries and the contributions from socialist countries, and if we add to this the modest but doubtlessly decisive and enthusiastic contribution of the less backward countries themselves, those which are on the path of development, the start of a large-scale industrialization will lead to the revival of the world economy with benefits for the Western economies themselves which in recent years are experiencing one recession after another.

Resolving the serious problem of financing will be a marked advance in the program of the new international economic order which we propose to achieve. But this includes a whole lot of essential problems, among which is an indissoluble link that we should never forget.

If we were be able to resolve the problem of unequal trade, we would have made another decisive jump toward the future. If we achieve an end to the protectionism that impedes the industrial development of our people, if we stop inflation, if we advance in exchanges in technology, all this would mean that new international conditions were being created and a new international atmosphere for peaceful coexistence would be possible. Because, as we said before at the United Nations, if there is no development, there will be no peace.

Mankind today lives sleeplessly in the face of the immense danger that the increasingly more accelerated pace of [production] mass destruction weapons represents in the midst of a serious economic crisis. When we are still awaiting the ratification of the SALT II treaty, the gloomy problem of the so-called nuclear modernization of Western Europe emerges, threatening to interrupt all nuclear negotiations. There is talk about installing--and in principle it has been agreed upon--572 nuclear intermediate-range missiles in Western Europe. In order to give you an idea of the seriousness of this measure, suffice it to recall that an amount 14 times smaller installed in Cuba was the cause for the dramatic October crisis of 1962. But there is a still more destructive and dangerous situation which is the great explosive potential being accumulated in three-fourths of the world as a result of the backwardness, poverty, and ignorance that make the situation of thousands of millions of human beings desperate.

The group of 77, Mr Chairman and esteemed members of delegations, doubtlessly will make a new contribution to peace by taking up in this Havana meeting with enthusiasm, serenity and determination the topics of the Third World conference on industrialization that have been placed before us. Cuba, I repeat, is proud and happy for having been given the opportunity to host this meeting which means so much for our hopes and which will take into account our countries' common positions.

Let us join forces to demand our just and unrenounceable aspirations. As I said at the United Nations, unequal trade bankrupts our peoples and must cease. The imbalance that exists insofar as the exploitation of sea resources is abusive and must be abolished. The financial resources being received by developing countries are insufficient and must be increased. Arms expenditures are irrational and must cease and the funds must be used to finance development. The international monetary system that prevails today is bankrupt and must be replaced. The debts of relatively lesser developed countries which are in a disadvantageous situation are unbearable, cannot be solved and must be cancelled. Indebtedness economically overwhelms the rest of the developing countries and must be alleviated. The economic abyss between developed countries and those wanting to develop widens instead of diminishing and must disappear. Thank you very much. [applause]

Speech Officially Approved

FL180046 Havana Domestic Service in Spanish 2230 GMT 17 Dec 79 FL

[Excerpt] Fidel Castro's speech was approved by the delegates to the Group of 77 ministerial meeting as one of the official documents. The message you have just conveyed will have a profound echo in all of us, the presiding chairman of the opening session, Algerian Heavy Industry Minister Mohamed Liassine, told Fidel Castro. UN Industrial Organization Executive Director Abderraham Khane was also sitting on the dais. Later, Hector Rodriguez Llompart assumed the presidency and announced that consultations of regional groups forming the Group of 77 were going to continue. He further said that the working sessions would resume in the afternoon.

Behind the dais there is a sign with a statement by Fidel which reads: Let us unite to demand our rights to development, to the future, to life.

JAMAICA

GOVERNMENT MEMBERS SUBMIT RESIGNATIONS TO MANLEY

PA181212 Buenos Aires LATIN in Spanish 1122 GMT 18 Dec 79 PA

[Text] Kingston, 18 Dec (LATIN-REUTER)--All the members of the Jamaican Government submitted their resignations to the Prime Minister Michael Manley last night, an official announcement stated here today.

The announcement was made over a television network by Deputy Prime Minister P.J. Patterson. He said he spoke in the name of the entire cabinet, which made the decision during a meeting yesterday. He said the decision was a result of the country's serious economic problems. The solution demands a reorganization of the government and a general change in the administrative system.

Manley Holds Talks on Economy

FL181820 Nassau Domestic Service in English 1800 GMT 18 Dec 79 FL

[Text] The Jamaican prime minister, Mr Michael Manley, is holding crucial talks on the much troubled Jamaican economy today with members of the International Monetary Fund. This comes after the Jamaican cabinet members presented a statement on behalf of the Deputy Prime Minister of Jamaica stating that measures taken to rectify Jamaica's present problems must include the restructuring of the government, and an overhaul of the entire administrative system. As a result, the entire cabinet has offered its resignation to Prime Minister Manley.

PNP: Resignation 'Positive Response'

FL181853 Kingston Domestic Service in English 1830 GMT 18 Dec 79 FL

[Text] The executive of the People's National Party [PNP] has commended the decision by members of the cabinet, ministers of state and parliamentary secretaries to offer their resignations to Prime Minister Manley. A statement from the PNP executive said the gesture was a positive response to the mandate given to the party by the national executive committee. This mandate places priority on the restructuring of the state machinery to ensure maximum efficiency in the implementation of projects. The PNP executive further congratulated all members of the country's leadership for their display of unity and commitment to the task of restructuring in order to deal with the national economic crisis.

Announcement of the resignation offers was made yesterday by Deputy Prime Minister P.J. Patterson, who said they were aimed at facilitating a major reshuffle which is to be announced by Prime Minister Manley tomorrow evening.

GUYANA

'CONTROVERSIAL' TRADE BUREAU TO BE ABOLISHED

FL171655 Bridgetown ADVOCATE-NEWS in English 12 Dec 79 p 3 FL

[Excerpts] Georgetown, Guyana, Tuesday (CANA)--The Guyana Government's controversial External Trade Bureau (ETB) for about a decade the sole agency empowered to import essential commodities here, is to be abolished from January 1 next year.

An order to this effect has been published in the Official Gazette in the name of Prime Minister Forbes Burnham, who is minister responsible for the public corporations.

The order gives no reason for the move.

It states that the assets and liabilities are to be transferred to the state-owned Guyana National Trading Corporation Limited (GNTC), which can also employ ETB workers on terms and conditions which, taken as a whole, are no less favourable than those at the bureau.

No indication was given of the size of the ETB workforce or the agencies' assets and liabilities.

The bureau was created late 1960s as an agency through which the Guyana Government could trade with other socialist states with similar mechanisms.

The GNTC, which is absorbing the bureau, has itself been going in for extensive trading since it was set up some three years ago.

The corporation was formed out of the assets acquired by the government following the nationalisation of the sugar industry and ancillary service companies.

MEXICO

PEMEX TO SET OIL PRICES INDEPENDENTLY OF OPEC

PA182200 Madrid EFE in Spanish 0112 GMT 18 Dec 79 PA

[Excerpt] Mexico City, 18 Dec (EFE)--The state Mexican Petroleum (PEMEX) enterprise indicated today that Mexico will set the price of its oil independently of OPEC.

PEMEX will not take sides either in favor or against the soft or hardline positions which have emerged at the OPEC meeting that began yesterday in Venezuela, the company added. A PEMEX spokesman said that the increase in the price of Mexican crude will become effective 1 January, although it may be announced some days afterwards. As was the case of the quarterly increases agreed upon in 1979, this rise will also be retroactive to 1 January.

Informed sources said that Mexican crude might rise to $30 a barrel.

The spokesman said that the new price will be adopted on the basis of two factors: A study of the world market and negotiations with buyers. This does not mean, he said, that Mexico will set lower prices than those set by the OPEC, but that the country's oil policy is independent of the decisions taken by that international organization.